



A subsidiary of GlencoreXstrata

Sphere Minerals Limited

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ASX RELEASE

13 June 2013

SHAREHOLDER LOAN APPROVAL

The Independent Directors of Sphere Minerals Limited ("**Sphere**") today approved entering into a loan agreement with Xstrata Finance Pty Limited ("Xstrata Finance") for a maximum drawn down amount of \$40M to fund the ongoing project works in Mauritania. The loan facility is unsecured and carries interest at the rate of 12% per annum. The total amount drawn down is to be repaid at the end of 12 months from the date of the loan agreement, or upon completion of a rights issue, whichever occurs first.

As a related party transaction, the Independent Directors have reviewed and obtained independent legal and financial advice on the terms of the loan agreement and are satisfied that the terms of the loan agreement including the interest rate applied are reasonable to Sphere having regard to the terms which could have been achieved if Sphere and Xstrata Finance were dealing at arms length and are less favourable to Xstrata Finance than the terms which could have been achieved if Sphere and Xstrata Finance were dealing at arms length.



Anthony Durbin
Company Secretary
Sphere Minerals Limited